REMARKS/ARGUMENTS

The Examiner is thanked for the performance of a thorough search.

By this amendment, Claims 1 and 8 are amended and no claims are added or canceled. Hence, Claims 1-3, 5-10, 12, 13, and 29-36 are pending in the application.

I. SUMMARY OF THE TELEPHONE INTERVIEW

The Examiner is greatly thanked for the telephone interview conducted on October 28, 2010. In the interview, Applicants' representatives discussed Claim 1 and the differences between Claim 1 and the cited art. The Examiner agreed to withdraw the non-prior art rejection and indicated that a new search might be necessary.

II. SUMMARY OF THE REJECTIONS

Claims 1-3, 5-6, 8-10, 12-13 and 29-36 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. As indicated above, the Examiner agreed to withdraw this rejection based on the amendment herein.

Claims 1-3, 56-, 8-10, 12-13 and 29-26 stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over WO 97/21183 to Naqvi et al. ("*Naqvi*") in view of U.S. Patent Publication 2005/0149396 to Horowitz et al. ("*Horowitz*"). This rejection is respectfully traversed.

III. THE REJECTIONS BASED ON THE CITED ART

Claims 1-3, 56-, 8-10, 12-13 and 29-26 stand rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over *Naqvi* in view of *Horowitz*.

A. CLAIM 1

Claim 1 recites:

A computer-implemented method for determining which advertisements to include with electronic content delivered to users over a network, the method comprising the steps of:

after accepting a first contract with a first advertiser, accepting a second contract with a second advertiser;

wherein the delivery obligations associated with the second contract are such that fulfillment of the second contract would prevent the delivery obligations of the first contract from being fulfilled;

receiving a plurality of advertisements from a plurality of advertisers;

storing revenue information that indicates potential revenue amounts for the plurality of advertisements, wherein each of the plurality of advertisements is associated with corresponding delivery criteria and a corresponding contract of a plurality of contracts;

wherein the plurality of contracts includes the first contract and the second contract;

wherein the plurality of advertisers includes the first advertiser and the second advertiser;

receiving, from a client that is not one of the plurality of advertisers, a request to provide over the network a piece of electronic content that includes a slot for an advertisement; and

in response to receiving the request, performing the steps of:

one or more computing devices comparing slot attributes of the slot with the delivery criteria of the plurality of advertisements to determine a first subset of the plurality of advertisements that qualify for inclusion in the slot,

wherein the slot attributes of the slot include at least one of (a) the nature of the piece of electronic content, (b) the size of the slot within the piece of electronic content, or (c) the placement of the slot within the piece of electronic content;

the one or more computing devices creating a second subset of advertisements by filtering, out of the first subset, based on behindness values computed for the advertisements, advertisements whose delivery obligations are on track to be satisfied;

wherein the second subset includes a first advertisement associated with the first contract and a second advertisement associated with the second contract;

wherein the second contract is associated with a behindness value that is currently greater than a behindness value associated with the first contract;

wherein the behindness value of each contract reflects how far behind a content provider is on satisfying the delivery obligations associated with each contract; and

selecting the first advertisement from the second subset of advertisements to include in the slot based, at least in part, on the potential revenue amounts;
inserting said first advertisement into the slot to create a modified piece of electronic content;
delivering, as a response to the request, the modified piece of electronic content to the user. (emphasis added)

As discussed in the telephone interview, Claim 1 requires that a second contract is accepted after a first contract, even though the delivery obligations of the second contract are such as that fulfillment of the second contract would prevent the delivery obligations of the first contract from being fulfilled. Paragraphs 11-17 of Applicants' specification describe the negative consequences of accepting such a "second contract." Accepting later-formed contracts where fulfillment of the associated delivery obligations would prevent previously-formed contracts from being fulfilled is known as the "late-comer problem" (see paragraph 17). Claim 1 solves the late-comer problem by using one or more additional criteria, other than just a behindness value, to determine which advertisement to insert into a slot. According to Claim 1, the additional criterion is potential revenue amounts. In contrast, *Naqvi* teaches an approach (see page 7, lines 16-22), called a "pre-acceptance filtering approach," where the recited second contract of Claim 1 would **not** be accepted. Thus, *Naqvi*'s system solves the late-comer problem in a very different way. *Naqvi* avoids situations in which late-comers squeeze out prior-formed contracts by determining, **before accepting a contract**, whether that contract can be satisfied given the pre-existing obligations of the already-accepted contracts. If not, then *Naqvi*'s system "suggests what coverage it can provide" (page 7, lines 21-22).

Also, the cited art fails to teach or suggest:

the one or more computing devices creating a second subset of advertisements by filtering, out of the first subset, …advertisements whose delivery obligations are on track to be satisfied;

as recited in Claim 1. The Office Action again cites page 7, lines 7-25 of *Naqvi* for allegedly disclosing this feature of Claim 1. However, that cited portion of *Naqvi* is about whether contracts are accepted, not about filtering a subset of advertisements in response to a request for content. Indeed, because *Naqvi* has already determined that each contract can be satisfied at the time of contract acceptance, there is no reason for *Naqvi* to filter, out of a set of possible advertisements, advertisements whose delivery obligations are on track to be satisfied.

Based on the foregoing, *Naqvi* and *Horowitz* fails to teach or suggest all the features of Claim 1. Therefore, Claim 1 is patentable over *Naqvi* and *Horowitz*. Reconsideration and withdrawal of the rejection of Claim 1 under 35 U.S.C. § 103(a) is therefore respectfully requested.

B. CLAIM 8

Claim 8 recites the features of Claim 1 discussed above that render Claim 1 patentable over the cited art. Therefore, Claim 8 is patentable over the cited art for at least the same reasons given above for Claim 1. Withdrawal of the rejection of Claim 8 under 35 U.S.C. § 103(a) is therefore respectfully requested.

C. DEPENDENT CLAIMS

Claims 2, 3, 5-7, 9, 10, 12, 13, and 29-36 are dependent claims, each of which depends (directly or indirectly) on one of the claims discussed above. Each of Claims 2, 3, 5-7, 9, 10, 12, 13, and 29-36 is therefore allowable at least for the same reasons given above for the claim on which it depends. In addition, each Claims 2, 3, 5-7, 9, 10, 12, 13, and 29-36 introduces one or more additional limitations that may independently render it patentable over the cited art. Examples follow.

1. Claim 29

Claim 29 depends on Claim 1 and further recites:

> exclusively offering a first portion of an inventory, of advertisement slots in electronic content, to buyers that satisfy a set of criteria; and
>
> offering a second portion of the inventory to buyers that are not required to satisfy the set of criteria,
>
> wherein the buyers that satisfy the set of criteria and the buyers that are not required to satisfy the set of criteria are advertisers that provide advertisements.

The Final Office Action cites various portions of *Naqvi* for allegedly disclosing these features of Claim 29. However, nothing in *Naqvi* teaches or suggests **offering** one portion of ad inventory to some advertisers and another portion of ad inventory to other advertisers. Further, *Naqvi* lacks any concept of advertisers that satisfy certain criteria. Each of the cited portions of *Naqvi* refers to exclusive contracts, which are contracts that indicate that, e.g., ad A can never be shown at the same time that ad B is shown. These cited portions mention nothing about which portion of ad inventory is **offered** to which advertisers.

2. Claim 35

Claim 35 depends on Claim 1 and further recites:

> associating each of the plurality of advertisements with a priority class, wherein the priority class associated with each of the plurality of advertisements indicates whether the corresponding advertisement is the subject of a guaranteed contract;
>
> wherein creating the second subset further includes filtering, out of the first subset, advertisements that have a priority class that is lower than the priority class of any other advertisement that belongs to the first subset before filtering advertisements whose delivery obligations are on track to be satisfied.

Naqvi refers to priority only once when it states, "The purpose of the prime space manager 20 is to prioritize the advertisements that are to be shown to the user." *Naqvi* provides an example where MRE 18 of *Naqvi*'s system identifies 500 possible advertisements to place into 5 slots. The prime space manager 20 of *Naqvi*'s system then determines which of those 500 ads will be placed into the 5 available slots. Pages 49 and 50 of *Naqvi* provide algorithms for how an ad is selected from an initial set. Each of those algorithms indicates that the first criterion used to select an ad is contract value. Thus, the ad in the initial set of 500 ads with the highest contract value will be selected. The only other criteria that are used to select an ad is, if there is an exclusive contract, determine if there is more prime space to fill and removing all competitor ads (determined based on an exclusive contract) from the initial set.

Fundamentally, *Naqvi* fail to teach or suggest that there is an additional priority class associated with each advertisement. Further, *Naqvi* necessarily fails to teach or suggest that there is a filtering step that includes filtering out advertisements from a set where those advertisements are associated with a priority class that is lower relative to the priority class of other advertisements in the set.

Due to the fundamental differences already identified and to expedite the positive resolution of this case, a separate discussion of each of those limitations is not included at this time. The Applicants reserve the right to further point out the differences between the cited art and the novel features recited in Claims 2, 3, 5-7, 9, 10, 12, 13, and 29-36.

IV. CONCLUSION

For the reasons set forth above, it is respectfully submitted that all of the pending claims are now in condition for allowance. Therefore, the issuance of a formal Notice of Allowance is believed next in order, and that action is most earnestly solicited.

The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application.

Please charge any shortages or credit any overages to Deposit Account No. 50-1302.

Respectfully submitted,

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